



NEWS & VIEWS

SBA News and Views is a monthly publication of the SBA Wisconsin District Office. Its purpose is to provide Wisconsin lenders and small business leaders with up-to-date information on SBA programs and small business issues. It is distributed at no cost, and the reprinting of articles is encouraged

Serving America's Small Businesses

U.S. Small Business Administration Wisconsin District Office

Eric Ness, District Director
August 2006

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SBA Home Page
<http://www.sba.gov>

Wisconsin SBA Home Page
<http://www.sba.gov/wi>

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SBA Honors New Preferred Lender

Bremer Bank, National Association was awarded a PLP certification plaque by Wisconsin's SBA District Director Eric Ness on August 8, 2006. President and CEO of Bremer Bank Dan Draxler accepted the award on behalf of the bank.



L to R – Eric Ness and Dan Draxler

The Preferred Lenders Program (PLP) is another step in SBA's process of "streamlining" the procedures necessary to provide financial assistance to the small business community. Under PLP, SBA delegates loan approval, closing, and most servicing and liquidation authority and responsibility to these carefully selected lenders.

PLP lenders are nominated based on their historical record with the Agency. They must have demonstrated a proficiency in processing and servicing SBA-guaranteed loans.

Small business plays a mighty role in our communities' prosperity and progress and has a special place at Bremer as well. Bremer's trusted

advisors to many small businesses understand the unique challenges they face. The small business bankers are committed to learning about your business, driving your growth and fueling your success with special tools and banking privileges that can make all the difference to your future. SBA's Eric Ness said, "We are extremely proud to recognize Bremer Bank as a preferred lender and look forward to a long and rewarding association."

Your Government at Work

On June 22, 2006, the Wisconsin Small Business Administration, along with the Veteran's Administration, GLAC VISA 12, held a matchmaking event for Service Disabled Veteran-Owned Small Businesses (SDVOB) and representatives from over 25 prime contractors and federal agencies. The small businesses presented their products and services to the buying/purchasing officers of the various activities in expectation of obtaining contracts. SBA played a large part in the success of this event and the teamwork paid off. On August 3, 2006, the Veteran's Integrated Service Network 12, awarded a \$2,355,000 contract for a mental health 3C modifications project at Milwaukee VA Medical Center to C3T, Inc of Milwaukee, Wisconsin and on August 1, 2006, awarded a \$1,495,000 contract for a fire alarm upgrade project at the VA Center in Hines, IL to Stokes Webb LLC. Both firms presented at the June matchmaking event. The efforts of Wisconsin SBA personnel, VA Medical Center personnel and the Chicago Office of Government

Contract all contributed to the success of this event. In addition, the VA awarded SBA a Certificate of Appreciation.

Podcasts for Business Owners

The U.S. Small Business Administration announced the arrival of podcasting for small business owners on a range of topics to help entrepreneurs on the road to starting a new business.

The SBA Podcasts provide an introduction to various small business topics, and will deliver business information and advice for new and established entrepreneurs on all aspects of starting, expanding and financing a small business, as well as business protection. The current list of podcasts includes the following subjects:

- Is Entrepreneurship for You?
- The SBA Small Business Training Network – Log On!
- Selecting a Business That Fits
- Disaster Preparedness for Business Owners
- Financing a Small Business

The SBA recognizes the time constraints faced by budding entrepreneurs, and podcasting is an easy way to deliver content on small business basics using audio files over the Internet. Each broadcast is less than 10 minutes long and will feature interviews with experts from the SBA and SBA resource partners of SCORE, the Small Business Development Centers and the Women's Business Centers. Industry experts from across the country will also share insightful and invaluable information with the small business public via podcasting.

To get to the SBA podcast library, go online to www.sba.gov/podcast. Podcast files can be listened to on a computer or downloaded to an MP3 player. Each podcast delivers a

broadcast quality recording, and additional feeds on a new small business topic will be added regularly. Future podcasts include:

- Checklist for Starting a Business
- Legal Forms of Business Ownership
- Business Planning—the Basics
- How to Write a Business Plan
- How SBA Can Help Finance Your Business
- The Importance of Marketing
- Finding the Right Employees

The SBA encourages listeners to visit the online Small Business Training Network of free training courses, workshops, and resources at www.sba.gov/training for more in-depth information.

HUBzone and 8(a) Awards

The term HUBZone comes from the phrase, "Historically Underutilized Business Zone". The HUBZone Empowerment Contracting Program is designed to stimulate economic development and create jobs in urban and rural communities by providing federal contracting preferences to small businesses. These preferences go to small businesses that obtain HUBZone certification by being located in a HUBZone designated area or employing staff who live in such an area. The program is administered by staff in Washington, D.C. in cooperation with field staff located in SBA District Offices around the country.

The SBA administers two particular business assistance programs for small disadvantaged businesses (SDBs). These programs are the 8(a) Business Development Program and the Small Disadvantaged Business Certification Program. The 8(a) Program offers a broad scope of assistance to socially and economically disadvantaged firms, SDB certification strictly pertains to benefits in Federal

procurement. Companies that are 8(a) firms automatically qualify for SDB certification.

The new and improved 8(a) Program has become an essential instrument for helping socially and economically disadvantaged entrepreneurs gain access to the economic mainstream of American society. SBA has helped thousands of aspiring entrepreneurs over the years to gain a foothold in government contracting.



L to R Wayne Simpson, Mr. Roseborough

On August 8, 2006, Wayne Simpson of the Office of Small and Disadvantaged Business Utilization formally presented awards to the Great Lakes Acquisition Center for their achievements in two socioeconomic categories for fiscal year 2005. They were first in the nation in Section 8(a) Awards and 2nd in HUBzone awards. The awards were accepted by Veterans Integrated Service Networks Mr. Roseborough on behalf of the Wisconsin VA Medical Center.

Verify Employees Online

The Social Security Number Verification Service (SSNVS) www.ssa.gov/employer/ssnv.htm allows employers to match their record of employee names and social security numbers with Social Security records before preparing and submitting Forms W-2. Employers can verify the names and Social Security numbers of employees only after they are hired. It cannot be used as part of the pre-hiring process.

SSNVS is a free service.

- Employers must register for a PIN and password at Business Services Online at www.socialsecurity.gov/bsow/elcome.htm.
- Social Security will send an activation code in the mail.
- Use the activation code, PIN, and password at the Business Service Online site to begin using SSNVS.

If you need additional assistance, call the Employer Reporting Service Center at 1-800-772-6270.

Outsourcing Payroll Duties

Many employers outsource some of their payroll and related tax duties to third-party payroll service providers. They can help assure filing deadlines and deposit requirements are met and greatly streamline business operations. Some of the services they provide are:

- Administering payroll and employment taxes on behalf of the employer, where the employer provides the funds initially to the third-party.
- Reporting, collecting, and depositing employment taxes with state and federal authorities.

Employers who outsource some or all of their payroll responsibilities should consider the following:

- The employer is ultimately responsible for the deposit and payment of federal tax liabilities. Even though the third-party is making the deposits, the employer is the responsible party. If the third-party fails to make the federal tax payments, the IRS may assess penalties and interest on the employer's account. The employer is liable for all taxes, penalties, and interest due. The employer may also be held personally liable for certain unpaid federal taxes.

- If there are any issues with an account, the IRS will contact the employer. IRS correspondence is sent to the address of record so it is strongly suggested that the address not be changed to that of the payroll service provider as it may significantly limit the employer's ability to be timely informed of tax matters involving their business.
- For the employer's protection, the payroll service provider should be asked if they have a fiduciary bond in place. This could protect the employer in the event of default.
- Employers should ask the service provider to enroll in and use EFTPS (Electronic Federal Tax Payment System), so the employer can confirm payments made on their behalf. EFTPS maintains a business's payment history for 16 months and can be viewed on-line after enrollment. In addition, businesses should enroll in EFTPS to make any additional tax payments that their third-party provider is not making on their behalf such as estimated tax payments. The IRS recommends employers verify EFTPS payments as part of their bank account reconciliation process.

EFTPS is secure, accurate, easy to use and provides an immediate confirmation for each transaction. The service is offered free of charge from the U.S. Department of Treasury and enables employers to make and verify federal tax payments electronically 24 hours a day, 7 days a week through the Internet, or by phone. For more information, employers can enroll online at www.eftps.gov, or call EFTPS Customer Service at 1-800-555-4477 for an enrollment form.

There have been recent prosecutions of individuals and companies who have, acting under the guise of a

service provider, stolen funds intended for payment of employment taxes. For more information, visit the IRS Website and type in the key words "employment tax investigations".

Remember, employers are ultimately responsible for the payment of tax withheld and both the employer and employee portions of social security and Medicare taxes.

High Income Earners and Wealth Holders

Business owners in the 1990's were more likely than wage earners to be in households classified as high income earners and wealth holders, according to a study released by the Office of Advocacy of the U.S. Small Business Administration.

However, their comparative share of income and wealth fell during the same period.

"Business ownership has traditionally been a route to prosperity for Americans," said Dr. Chad Moutray, Chief Economist for the Office of Advocacy. "This study confirms that the 1990's were no different. Nonetheless, with the market bubble of the 90's, wage earners saw a greater increase in their income and wealth relative to business owners."

The report, *How Did Small Business-Owning Households Fare During the Longest U.S. Economic Expansion?*, written by Dr. Charles Ou, Economist for the Office of Advocacy, and Dr. George Haynes, is a follow on to the study *Wealth and Income: How Did Small Business Fare from 1989 to 1998?*

The study finds that in 2001, small business-owning households were more than twice as likely as non-owning households (57.1 percent to 25.5 percent) to be high income, and over eight times more likely (21.2 percent to 2.5 percent) to be high

wealth households. However, from 1992 to 2001, the chance of being in the high-income category for non-owning households increased 42.5 percent, and their chance of being high wealth increased 92 percent, whereas the chances for small business-owning households increased 24.7 and 61.8 percent, respectively.

The study also examines the changes in the demographic characteristics of high income and high wealth households over the 1992-2001 period.

SBA July 2006 Lenders

Abby Bank

Abbotsford – 1 Loan for \$10,000

American Enterprise Bank

Buffalo Grove, IL

1 Loan for \$1,591,100

American National Bank-Fox Cities

Appleton – 1 Loan for \$25,000

Anchor Bank FSB

Madison – 2 Loans for \$55,000

Associated Bank NA

Green Bay – 35 Loans for \$4,979,300

Bremer Bank NA

Menomonie – 1 Loan for \$85,000

Business Lenders LLC

Hartford, CT – 1 Loan for \$744,000

Business Loan Center LLC

New York, NY

1 Loan for \$550,000

Capital One Federal Savings Bank

McClean, VA

6 Loans for \$250,000

CIT Small Business Lending Corp.

Livingston, VA

3 Loans for \$1,727,900

Community Bank & Trust

Sheboygan, WI

7 Loans for \$1,064,200

Community Bank & Trust

Cornelia, GA – 1 Loan for \$447,000

Community First CU

Appleton – 7 Loans for \$1,039,000

Cornerstone Community Bank

Grafton – 4 Loans for \$365,000

Farmers & Merchants Bank & Trust Co.

Hannibal, MO – 2 Loans for \$70,000

First Bank Financial Centre

Oconomowoc

4 Loans for \$1,113,800

First National Bank-Fox Valley

Neenah – 1 Loan for \$48,000

First National Bank-New Richmond

New Richmond

2 Loans for \$295,800

First Tennessee Bank NA

Memphis, TN – 1 Loan for \$10,000

Great Lakes Asset Corporation

Green Bay – 3 Loans for \$1,025,000

Green Lake State Bank

Green Lake – 1 Loan for \$310,000

Hometown Bank

Saint Cloud – 2 Loans for \$330,000

Investors Community Bank

Manitowoc – 1 Loan for \$35,000

ISB Community Bank

Ixonia – 2 Loans for \$70,000

Oconomowoc – 1 Loan for \$785,000

Total: 3 Loans for \$855,000

Johnson Bank

Racine – 3 Loans for \$255,000

JPMorgan Chase Bank NA

Houston, TX – 8 Loans for \$1,122,600

Layton State Bank

Milwaukee – 2 Loans for \$110,000

M&I Marshall & Ilsley Bank

Milwaukee – 13 Loans for \$2,820,700

Park Bank

Brookfield – 1 Loan for \$120,000

Milwaukee – 1 Loan for \$55,000

Total: 2 Loans for \$175,000

Park Bank

Holmen – 1 Loan for \$56,500

Peoples State Bank

Wausau – 2 Loans for \$150,000

River Valley State Bank

Wausau – 1 Loan for \$94,500

Royal CU

Eau Claire – 1 Loan for \$775,000

State Bank of Cross Plains

Cross Plains – 1 Loan for \$46,300

The Bank of Kaukauna

Kaukauna – 1 Loan for \$92,000

The First State Bank

New London – 1 Loan for \$134,671

The Park Bank

Madison – 3 Loans for \$95,000

The Reedsburg Bank

Reedsburg – 3 Loans for \$2,312,500

Town and Country Bank

Watertown – 1 Loan for \$300,000

Twin-Cities-Metro Cert. Dev.

Shoreview, MN

4 Loans for \$1,300,000

US Bank NA

Cincinnati, OH

5 Loans for \$276,500

Wells Fargo Bank NA

San Jose, CA – 12 Loans for \$514,500

Wisconsin Business Development Finance Corp.

Monona – 8 Loans for \$3,666,000

Wisconsin Community Bank

Cottage Grove – 2 Loans for \$450,000

Woodtrust Bank NA

Wisconsin Rapids

1 Loan for \$280,000

SBA July 2006 Microlenders

Impact 7

1 Loan for \$25,000

HELPFUL LINKS:

[Training & Events Area](#)

[Lenders Resource Area](#)

[WI Surety Agents](#)

[WI Community Express
Loan Fair, in Racine,
August 24th](#)

SBA 2007 SMALL BUSINESS AWARD NOMINATION

Help us recognize outstanding leaders in the small business community

SBA's size standards apply in defining a business as small- individuals who own and operate or bear principal responsibility for operating a small business are eligible.

AWARD CATEGORIES

Please check one or more potential categories:

- ☐ **Small Business Person of the Year:** For developing an outstanding, growing business; innovative product(s), increasing jobs, increasing sales, overcoming adversity, and community contributions.
- ☐ **Small Business Exporter of the Year:** Significantly increased export sales and profits, encouraging other firms to export, increased jobs through exports, and innovative methods of creating markets.
- ☐ **SBA Young Entrepreneur of the Year:** Owner will not reach 30th birthday by June 1, 2007, three-year evidence of success in sales and profits, increased jobs, innovative products, demonstrated potential.
- ☐ **Minority Small Business Person of the Year:** For developing an outstanding, growing business, innovative products, overcoming adversity and community contributions (Wisconsin award)
- ☐ **Emerging Small Business Person** For developing an outstanding business with at least a three year track record, under 25 employees, under \$2.5 million in sales and less than 10 years in business (Wisconsin award)

Small Business Champions of the Year: Those who promote small business, including volunteering time and services to small business interests and groups, advocating the cause of small business in the legislative process. Champions may or may not be small business owners.

- ☐ **Minority Small Business Champion**
- ☐ **Veteran Small Business Champion**
- ☐ **Small Business Legal Assistance (WI Award)**
- ☐ **Financial Services Champion (Accountant advocate merged with this category)**
- ☐ **Family Owned Small Business** – A family owned business that has passed from one generation to another and owner has responsibility for operating the business with at least a 15 year track record
- ☐ **Women in Business Champion**
- ☐ **Small Business Journalist**
- ☐ **Home Based Business Champion**

NOMINEE INFORMATION

I nominate _____ Title _____
 Company/Organization _____ Address _____
 Phone _____ Fax _____ E-mail _____

Nominees Qualifications for this Award—**attach short description on why this business/advocate should be considered:**

When nominating a business owner please complete the following: Is the company operating profitably _____
 # of years in business _____ # of employees _____ annual sales \$ _____ SIC/NAICS code _____

NOMINATOR'S INFORMATION:

Nominator Name _____ Title _____
 Organization _____
 Address _____
 Phone _____ Fax _____ E-mail _____

Reply by **September 29, 2006**

mail (or fax 414-297-1377) this form to:
Small Business Awards Committee, U.S. Small Business Administration
310 West Wisconsin Avenue, Suite 400
Milwaukee, WI 53203

For more information, please contact: (414) 297-1093. Self-nominations accepted. This form may be duplicated. **For further consideration, a nomination binder with detailed materials will be requested.** SBA will contact the nominator with details. Thanks for your support!

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